enforce the security. The institutions are also invoking the unconditional/ irrevocable guarantees from the private promoters for recovery of the loan.

Use of foreign cigarette brand names by ITC, Ltd.

1965. SHRI J.S. RAJU: Will the Minister of FINANCE be pleased to state:

(a) whether several M.Ps have brought to the notice of Reserve Bank of India about violation of Section 28 of FERA against cigarette division of M/s. ITC Limited, Calcutta for using foreign brand names for their various brands of cigarettes in the country without the approval of the RBI;

(b) if so, what are the details in this regard; and

(c) what action Government propose to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) to (c) A complaint regarding the use of foreign brand names by M/s. ITC Ltd. was received from an M.P. by the R.B.I., who informed the Hon'ble M.P. that this did not amount to violation of FERA.

Foreigners to invest directly in Indian Securities market

1966. SHRI HARVENDRA SINGH HANSPAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Presidents of all the stock exchanges have urged Government to allow foreigners to invest directly in the Indian securities market;

(b) if so, what is the reaction of Government in this regard; and

(c) by when a final decision is likely to be taken in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) Yes, Sir.

(b) and (c) It has been announced in the Budget Speech for 1992-93 that Government will consider ways of allowing reputable foreign investors, such as pension funds, to invest in the Indian Capital markets, with suitable mechanisms to ensure that this does not threaten loss of management control.

Karnataka's proposal on interest on small savings

1967. SHRI B.K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Chief Minister of Karnataka has written to the Central Government to increase the rate of interest on small saving schemes;

(b) if so, what are the details of the proposal and suggestion so made; and

(c) what is Government's reaction thereto and what decision had been taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) Yes, Sir.

(b) The Chief Minister, Karnataka had sought for increase in the rates of interest on small savings instruments consequent on the increase in rates of interest on banks deposits.

(c) Last year the rates of interest were revised upwards in respect of Post Office Time Deposit (1 year, 2 year, 3 year and 5 year), Post Office Recurring Deposit (5 year) and Kisan Vikas Patra. Further changes in interest rates have been recommended by a high level Committee whose report is under examination.

Effect of foreign loan and liberalisation on Indian economy

1968. SHRI RAJNI RANJAN SAHU: Will the Minister of FINANCE be pleased to state:

(a) What is the total borrowings from I.M.F., World Bank and other international agencies in the last three years;

(b) whether it is a fact that Government are going to bring tight monetary policy in the light of the heavy loan components;

(c) whether it is also a fact that India's economic growth prospect of 1992-93 is very grim; and

(d) what is the extent to which Indian economy has received a boost from foreign investors in India after the liberalised policy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) The total amount of loans taken by the Government from international agencies including IMF and World Bank works out to Rs. 3603 crores, Rs. 3625 crores and Rs. 6831 crores during 1988-89, 1989-90 and 1990-91 respectively.

(b) In the current financial year, the stance of monetary policy has been restrictive. But with the recent decline in the annual rate of inflation, the interest rates on post-shipment credit and on credit limits of over Rs.2 lakh of the scheduled commercial banks have been brought down by one percentage point. These measures would enable the banks to expand their flow of credit for production and trade in the private sector. However it remains desirable to maintain a cautious monetary policy so long as problem of inflation and adverse balance of payments exists.

(c) The Government has recently undertaken a number of structural reform measures in the spheres of trade, industry, financial and public sector. These policies are designed to increase overall efficiency and productivity by imparting dynamism and competitiveness in the system. Assuming a normal monsoon, the prospect of Indian growth during the year 1992-93 is considered to be bright.

(d) Although it is too early to expect a substantial inflow of foreign investment resulting from the liberalised policy changes, the response of the new foreign investment policy measures has been encouranging so far. The overseas investment approvals reached a peak of Rs. 522 crores during 1991 (including approvals given by the Reserve Bank of India up to December 22, 1991) as against only Rs. 128 crores during 1990.

F.E.R.A. Provisions on activities of foreign companies

1969. SHRI VITHALBHAI M. PATEL:
SHRI KRISHNA KUMAR BIRLA
CHOWDHRY HARI SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Reserve Bank of India has scrapped some provisions of the Foreign Exchange Regulation Act concerning control on the activities of foreign companies;

(b) if so, which are the provisions that have been scrapped and what are the reasons therefore;

(c) whether it is necessary to amend the F.E.R.A. before scrapped; and

(d) what is the expected foreign investment in terms of foreign exchange by FERA firm as a result of lifting of curbs?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) and (b) No, Sir. However, Reserve Bank of India have recently issued Notifications removing certain restrictions on FERA companies in matters of accepting deposits or borrowing money, use of trade marks, opening of Branch offices, acquisition of immovable property etc.

(c) No, Sir.

(d) It is not possible to make an estimate of foreign investment expected as a result of liberalisations in FERA.

Appointment of Officer Nominee on Bank Boards

1970. SHRI GURUDAS DAS GUPTA:
SHRI CHATURANAN MISHRA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have appointed officer nominee as director on the Boards of nationalised banks;

(b) if so, the names of Directors as well as of Banks;